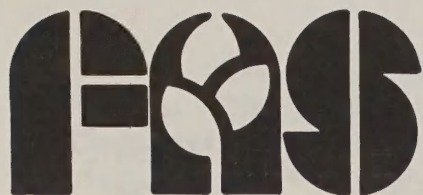


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JAN 30 '85

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 6-84

WASHINGTON, Feb. 8--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

New item in Weekly Roundup:

TRADE BALANCE

U.S. agricultural exports in the first quarter of fiscal 1984 (October-December 1983) rose 15 percent from the same period a year earlier to \$10.2 billion, with nonagricultural and total exports up 1 and 4 percent, respectively. U.S. agricultural imports during the first quarter of fiscal 1984 were up 8 percent to \$4.2 billion, with nonagricultural and total imports each up 19 percent. The U.S. total trade deficit continued to worsen in the first quarter of fiscal 1984, although the U.S. agricultural trade surplus widened.

U.S. agricultural exports for calendar year 1983 declined 1 percent to \$36.1 billion, while nonagricultural exports dropped 6 percent to \$159.9 billion. A strong U.S. dollar and weak economic growth abroad reduced U.S. industrial and farm exports. Agriculture's share of total U.S. exports rose slightly to more than 18 percent. The total value of U.S. exports fell 5 percent to \$196.0 billion.

U.S. agricultural imports rose 9 percent in calendar year 1983 to \$16.6 billion, with nonagricultural imports increasing 6 percent to \$240 billion. The increased value of the U.S. dollar relative to other currencies and a strong U.S. economic recovery contributed to the higher imports.

The U.S. total trade deficit widened in 1983 to \$60.7 billion, with the agricultural surplus falling slightly to \$19.5 billion and the nonagricultural deficit climbing to \$80.2 billion.

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U.S. Agricultural Trade and Trade Balance

	Calendar 1982	Year 1983	Percent change	Oct/Dec 1982	Oct/Dec 1983	Percent change
Exports						
Agricultural	36,622	36,108	-1	8,825	10,154	+15
Nonagricultural	170,536	159,862	-6	39,671	40,169	+1
Total	207,158	195,970	-5	48,496	50,323	+4
Imports						
Agricultural	15,232	16,628	+9	3,945	4,244	+8
Nonagricultural	227,108	240,051	+6	54,763	65,434	+19
Total	242,340	256,679	+6	58,708	69,678	+19
Trade Balance						
Agricultural	+21,390	+19,480		+4,880	+5,910	
Nonagricultural	-56,572	-80,189		-15,092	-25,265	
Total	-35,182	-60,709		-10,212	-19,355	

GRAIN AND FEED

The condition of SOUTH AFRICA's 1984 corn crop (to be harvested in June-July) suffered during January due to the effects of dry weather and hot temperatures during the crop's sensitive reproductive and grain formation period. The harsh weather most severely affected the West Transvaal and the Orange Free States. The U.S. agricultural counselor in Pretoria estimates the crop at 7.5 million tons, a decrease of 21 percent from USDA's January estimate but still 92 percent above last year's drought-affected crop. Crop conditions in the northeastern portion of the Maize Triangle continued favorable during January.

A reduced South African corn crop could virtually eliminate corn exports in the May-April 1984/85 marketing year. Exports were already expected to be limited given recent decisions to maintain larger strategic stock levels. A lower crop could also necessitate additional imports this season. South Africa has purchased 2 million tons of corn to date due to last season's severely reduced crop. Just over half of these purchases were from the United States. South Africa has been a net exporter of corn, with exports averaging 3.5 to 4 million tons in recent years.

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MEXICO recently bought about 300,000 tons of sorghum and 100,000 tons of wheat from Argentina. Argentina has not moved any sorghum into Mexico since October-September 1981/82, when about 400,000 tons were exported. In October-September 1980/81, sorghum exports reached nearly 700,000 tons. The recent activity also may mark the first Argentine wheat sale to Mexico. Mexico's return to the Argentine grain market may indicate that their total import needs are greater than earlier anticipated.

CHILE'S 1984/85 wheat area--planted April-August 1983--increased by 31 percent over last year, according to the U.S. agricultural attache in Santiago. The new support price guarantees a minimum price of \$197.50 per ton in real terms, about 15 percent higher than the previous level. Import requirements are expected to decline by 200,000 tons to a total of around 1 million tons in December-November 1983/84 because of increased production prospects. Chile also recently added a surtax to the present 20 percent ad valorem duty already in effect to protect the domestic market; the surtax makes all imported wheat more expensive. The United States traditionally has supplied 90 percent or more of Chile's wheat import needs.

OILSEEDS AND PRODUCTS

JAPAN recently announced the peanut import quota for the second half of the fiscal year (October 1983-March 1984) at 29,900 tons. Totaling 61,400 tons, the Japanese peanut import quota for the Japanese fiscal year (April 1983-March 1984) is up 20 percent from last year and represents the largest quota level since 1980. Quota levels by kernel size for Japan's current fiscal year are as follows in tons:

	April-September 1983	October 1983- March 1984	Total
Large kernel	12,800	13,100	25,900
Small kernel	18,700	16,800	35,500
Total	31,500	29,900	61,400

The U.S. share of the Japanese peanut market in 1982 was 38 percent, second to the 42 percent share held by China. U.S. peanut exports to Japan for the first five months of the 1983/84 marketing year that began in August totaled 10,211 tons, up 23 percent from the same period last year. U.S. peanut exports to Japan during the 1982/83 marketing year totaled 25,351 tons and represented a total export value of \$17 million.

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Despite a projected 26-percent increase in MALAYSIA's 1984 palm oil production, total exports in 1984, projected at 3.09 million tons, will be only 4 percent above 1983, according to the U.S. agricultural attache in Kuala Lumpur. Strong exports in the face of declining production during 1983 have drawn stocks down sharply from 590,000 to 170,000 tons. The agricultural attache feels that Malaysia will rebuild stocks in 1984 but that stock replenishment will not occur until later in the year because of high export prices and a backlog of refinery export commitments. Palm oil stock levels at the end of 1984 are currently estimated at 400,000 tons compared to 1983 ending stocks of 170,000 tons. The current low palm oil stock levels and export commitments have led to large increases in domestic cooking oil prices. The Malaysian government thus far has limited market intervention activities.

DAIRY, LIVESTOCK AND POULTRY

In the SOVIET UNION, total livestock product output set new records in 1983 with meat output totaling 16 million tons, 10 percent above 1982; milk production, 96.4 million tons, 6 percent higher; and egg production, 74.7 billion eggs, 3 percent over 1982. Previous production records were 15.5 million tons of meat in 1978 and 94.9 million tons of milk in 1977. Since the mid-1970s, egg production has grown steadily, setting new records every year.

Livestock numbers also increased to new records in all categories except cows. Jan. 1, 1984, inventories were as follows (compared with 1983): total cattle, 119.4 million head (117.2 million); cows, 43.8 million (43.8 million); hogs, 78.5 million (76.7 million); and sheep and goats, 151.4 million (148.5 million). Previous inventory records for cattle and hogs were set in January 1983. The growth in both numbers and production is attributed to improved weather conditions for livestock wintering and both forage and grain production in addition to continued high level feedstuff imports.

POLISH cattle numbers as of Jan. 1, 1984, were up less than 1 percent, totaling 11.1 million head, while hog numbers were down 3.2 percent, totaling 17 million, according to the U.S. agricultural attache in Warsaw.

Beef production in 1983 fell 21 percent from 775,000 tons in 1982 to 605,000 tons. The drop was attributed to reduced supplies of slaughter cattle as a result of unusually high slaughter in 1982. Farmers carried larger numbers into 1982 because of anticipated higher procurement prices. Production in 1984 is expected to remain at the 1983 levels, an amount more than 200,000 tons below production levels reached in 1975-79 when cattle feeding was profitable.

Pork production followed the same pattern as beef production, falling 11 percent during 1983 from 1,521,000 tons in 1982 to 1,357,000 tons due to unusually heavy slaughter in 1982. For 1984, production is expected to decline 6 percent.

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During 1983, for the first time, it appears that a significant number of farmers have shifted at least temporarily out of swine production to more profitable and less labor intensive grain production. There also appears to have been some replacement of hogs with sheep. Swine production is not expected to be reversed until state procurement prices are changed to make it more profitable.

Commercial feed production during the first 10 months of 1983 was 1.1 percent less than the depressed 1982 level as a result of continuing low feed-stuff imports. Commercial feed can only be sold to producers who have contracts to sell livestock to the state.

NEW ZEALAND cattle numbers, as of the last census on June 30, 1983, continued a downward trend, totaling 7.72 million head, 2.4 percent less than a year earlier, according to the U.S. agricultural attache in Wellington. Dairy cow numbers were up 5 percent to 2.1 million head, while beef cows were down 7 percent to 1.47 million. Beef cattle numbers have been declining since the mid-1970s due to a relatively weak world market for beef compared to dairy products and sheep meat. As the number of beef cows declines, more dairy calves are being finished for beef.

Beef and veal production for 1982/83 reached 519,000 tons, up slightly from 1981/82. Production in 1983/84 is expected to decline 10 percent because of a drop in export prospects, particularly to the United States.

Sheep numbers fell slightly during 1982/83 while sheep meat production increased 9 percent to 681,000 tons. A larger lamb crop and reduced retention of ewe lambs for flock replacement contributed to the meat production increase. In 1983/84, production is expected to be down to a more traditional level of 654,000 tons.

Pork and poultry industries in the PHILLIPINES contracted during 1983 as producers were unable to offset problems stemming from national economic difficulties. Broiler production, estimated at 170,000 tons, was 6 percent below the 1982 level and another decline is expected in 1984, according to the U.S. agricultural counselor in Manila. Pork production was 9.4 percent above the 1982 level but only because some herd liquidation took place. January 1984 hog numbers are estimated at 7.8 million head, 2.5 percent below January 1983. Sow numbers were down 20 percent. Declines in both hog numbers and pork production are forecast for 1984.

The two major problems faced by both industries are critical shortages of imported feed ingredients and veterinarian supplies caused by limited availability of foreign exchange and the tight profit margins caused by rising operating costs in the face of government-controlled meat prices. The latter problem is particularly serious for smaller commercial producers, which account for 20 percent of pork and 30 percent of broiler production.

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COTTON AND FIBERS

In the UNITED STATES, December cotton exports reached the highest monthly volume since April 1982. December exports totaled 663,000 bales, valued at \$232.4 million, 44 percent above the previous month. Cumulative August-December exports reached 2.1 million bales. Total 1983/84 season exports are forecast at 6.3 million bales. The largest export markets are South Korea, Japan, Indonesia, Yugoslavia, Canada and Taiwan.

According to U.S. export sales, the SOVIET UNION has purchased 132,000 running bales of the 1983 U.S. cotton crop. The USSR, a major cotton exporting country, purchased U.S. cotton during 1982/83 to meet commitments to East European markets. The USSR recently reported that 1983 cotton crop procurements met the 1983 crop plan of 9.2 million tons seed cotton.

CHINA's State Council has approved a four-year storage construction program that will increase cotton storage capacity by 50 percent. Cotton transit and reserve storage will be built in the major cotton growing areas and harbors. Upon completion, estimated cotton storage capacity will exceed 6.9 million bales.

TOBACCO

MALAWI's 1983 tobacco crop is estimated at a record 72,200 tons, up 23 percent from the 1982 crop, which also was a record. Burley tobacco accounted for the entire increase with the 1983 crop estimated at a record 41,500 tons, up 50 percent, mostly because of increased plantings. The flue-cured crop, at 21,600 tons, was down 3 percent from the previous season. The record burley output resulted in a substantial reduction in auction prices and major disruptions in trading. In an attempt to limit future burley output, a production quota of 25,000 tons has been implemented for the 1984 crop.

FRUITS AND NUTS

TUNISIA's 1983/84 citrus crop is estimated at 214,000 tons, up 55 percent from 1982/83, according to the U.S. agricultural trade officer in Tunis. Production of blood oranges is forecast at 129,000 tons, up 68 percent, while tangerine production is expected to total 31,500 tons, up 64 percent. Abundant flowering and good moisture conditions contributed to the increase. The current four-year economic development plan (1982-86) calls for replacing 1,000 hectares of old citrus groves and the establishment of 300 hectares of new groves. During 1982, tangerine and Washington navel orange seedlings were the most widely planted varieties.

Selected International Prices

Item	: Feb. 7, 1984	: Change from	: A year
	:	: previous week	: ago
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT
Wheat:			\$ per MT
Canadian No. 1 CWRS-13.5%12/	197.50	5.38	-1.00
U.S. No. 2 DNS/NS: 14%....	190.00	5.17	0
U.S. No. 2 S.R.W.....	153.00	4.16	+1.50
U.S. No. 3 H.A.D.12/.....	205.00	5.58	-1.00
Canadian No. 1 A: Durum.12/	205.00	5.58	-1.00
Feed grains:			
U.S. No. 3 Yellow Corn....	153.00	3.89	-.50
Soybeans and meal:			
U.S. No. 2 Yellow.....	290.40	7.90	-3.20
Brazil 47/48% SoyaPellets 4/	232.00	--	-13.00
U.S. 44% Soybean Meal.....	215.00	--	-9.00
U.S. FARM PRICES 5/			
Wheat.....	N.Q.	N.Q.	N.Q.
Barley.....	N.Q.	N.Q.	N.Q.
Corn.....	N.Q.	N.Q.	N.Q.
Sorghum.....	N.Q.	N.Q. 4/	N.Q.
Broilers 7/.....	N.Q.	N.Q.	N.Q.
EC IMPORT LEVIES			
Wheat 8/.....	77.85	2.12	+3.15
Barley.....	53.00	1.15	+6.20
Corn.....	51.20	1.30	+7.25
Sorghum.....	63.05	1.60	+6.10
Broilers 7/ 9/ 11/.....	N.Q.	N.Q.	N.Q.
EC INTERVENTION PRICES 10/			
Common wheat(feed quality)	169.85	4.62	+3.10
Bread wheat (min. quality)10/	185.50	5.05	+3.35
Barley and all			
other feed grains.....	169.85	--	+3.10
Broilers 7/ 9/.....	N.Q.	N.Q.	N.Q.
EC EXPORT RESTITUTIONS (subsidies)			
Wheat	26.05	.71	+2.00
Barley.....	26.05	.57	+6.05
Broilers 7/ 9/ 11/.....	N.Q.	N.Q.	N.Q.

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine. 3/ Based on selected major markets and adjusted to reflect farm prices more closely. 4/ Hundredweight (CWT). 5/ Twelve-city average, wholesale weighted average. 6/ Durum has a special levy. 7/ EC category--70 percent whole chicken. 8/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 14 Sept 83 from 22.50 ECU/100 bag set in Feb 1983. 9/ F.o.b. price for R.T.C. broilers at West German border. 10/ Reference price. 11/Reflects exchange rate change and not level set by EC. 12/ April-May shipment. N.Q.=Not quoted. N.A.=None authorized. Note: Basis February delivery.

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